

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2021-22

RSN local government finance consultants, Pixel Financial Management have reviewed the Provisional Settlement to draw out the specific impact on rural authorities and the people and communities they serve.

The Provisional Settlement was published on 17th December

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022>

<https://www.gov.uk/government/publications/key-information-for-local-authorities-provisional-local-government-finance-settlement-2021-to-2022>

Further information has also been published on the new COVID-related funding schemes:

<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>

The Consultation closes on 16th January, 2021.

The report and analysis from Pixel is being sent to all RSN SPARSE-Rural member authorities.

The analysis shows rural residents in comparison to residents in urban areas will:

- Be still be paying over £96 per head more in Council Tax
- Get £107 (61%) per head less from Settlement Funding Assessment (SFA) (general grant)
- Get £11 per head less in specific social care costs
- Get £28 per head of the new social care grants whilst urban gets £32 per head (a 16% gap)
- The gap between urban and rural SFA per head has risen from 41% in 2015/16 to 61% for 2021/22 (although in monetary terms the gap has closed by just under £10 per head)
- Get over £112 (42%) per head less in Government Funded Spending Power (which excludes Council Tax).
- (Despite all of the above) still have over £16 per head (2%) less overall Spending Power.

Rural Services Delivery Grant is to be increase by £4M to its highest ever amount of £85M

The additional weightings for sparsity introduced into the formula in 2013/14 (following the Summer 2012 DCLG Consultation) created a much larger list of 163 (including 18 Fire & Rescue Services) beneficiaries than the 94 (including 5 Fire & Rescue Services)

super sparse beneficiaries of RSDG. Those additional weighting recognised that sparsity costs apply across the spectrum of rural areas and do not suddenly manifest themselves at the boundary of super sparse areas.

We are continuing to call for the Rural Services Delivery Grant to be increased to £130 million and for this grant increase to be allocated proportionately to all authorities who have sparse areas to service and not just to those with super sparse areas. This figure is our estimate of the 2015/16 residual amount from the Government's own calculations in 2012 about the additional financial burden that sparsity places on rural councils.